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### **POVERTY IN ZIMBABWE SINCE INDEPENDENCE: INCIDENCE, INTENSITY AND TRENDS**

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# **TRENDS IN POVERTY IN ZIMBABWE: 1980 - 1998**

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## **1      Introduction**

Poverty reduction has taken centre stage in most policy debates in Zimbabwe. Efforts to address the issue of poverty by the Government dates as far back as 1980 (the year of Zimbabwe's independence) when the government policy was aimed at redressing the imbalances that were inherited from the colonial regime. Concrete measures to eradicate poverty include the introduction of the Social Development Fund (SDF) in November 1991 and the launching of the Poverty Alleviation Action Plan (PAAP) in December 1993. The Social Development Fund aimed to address poverty that was a result of the initial impact of the Economic Structural Adjustment Program (ESAP). The PAAP broadened the overall scope, coverage and intended impact of targeted social programmes, with special emphasis placed on employment creation and self reliance programmes. The success of the SDF programme and the PAAP and indeed other programmes that are aimed at reducing poverty depend on a clear understanding of who the poor are, where are they located and what are their needs. More importantly it is essential that the various poverty reduction programmes are evaluated on a regular basis to find out whether or not they had any significant impact on poverty. This would make it possible to improve the programme designs before the expiry of the programme life and hence increase the impact of the programme on poverty reduction. Over time there is also a need to analyse and trace the levels and intensity of poverty. This paper aims to analyse the trends in poverty in Zimbabwe using results from available studies and data. Before we do that we review poverty measurement methodologies below.

## **2.      Poverty Measurement Methodologies**

Any poverty assessment study aims to answer the following questions:

- Who are the poor?
- How poor are they?
- Where do they live?
- What are the characteristics of the poor?
- Is poverty increasing or decreasing over time?

To be able to answer the first two questions we need to devise an appropriate cardinal measure of poverty that would enable us to identify the poor (the identification problem) and we should be able to measure poverty in all of its relevant dimensions (the measurement problem). These problems are discussed below.

### **2.1      The Measurement Problem**

To measure poverty we need a bench-mark poverty line, below which a person is considered poor. The choice of a poverty line is in the realm of normative economics; hence, it tends to be arbitrarily chosen. The problem of choosing a poverty line is only one of many measurement issues that have to be addressed in poverty research. Here we discuss those

that are most relevant to the study of poverty in a poor country. The major problems include the following:

- (a) the choice of an appropriate measure of household well-being;
- (b) adjustment of the appropriate measure of well-being for household sizes and composition; and
- (c) the choice of which poverty index to use.

Below I explore these problems further and explain how they are dealt with in this study.

## **2.2 The Most Appropriate Measure of Household Well-being**

The central issue is whether household income or household consumption is a better measure of welfare. Compelling arguments for consumption expenditures as the preferred metric have been advanced (Ravallion, 1993). These include the fact that not all household income goes towards that particular household's well-being, the fact that people are more reluctant to reveal their income compared to their consumption (a fact which points at consumption data as more accurate compared to incomes data), and the fact that consumption expenditure is a better measure of permanent income than current incomes. Further, the World Bank's design methodology of the original LSMS surveys were predicated on the idea of obtaining reliable measures of consumption expenditures as well as home based (in kind) consumption that does not flow through the market.

## **2.3 The Problem of Differences in Household Size and Composition**

Differences in household size and composition influence welfare. A large body of literature establishes that these differences can be taken into account by dividing the consumption data by an adult equivalence scale. Some of the equivalence scales used in the literature include that proposed by Glewwe and Hall (1994). Their equivalence scale can be written as:  $AE = 0.2 \cdot C1 + 0.3 \cdot C2 + 0.5 \cdot C3 + A$ , where AE represents the adult equivalence scale, C1 children between the ages 0 and 6, C2 children between the ages 7 and 12, C3 the children between the ages 13 and 18, and A being the number of adults in the family. This equivalence scale takes into account the fact that the proportion of total household consumption for individual members of the household is different for different age groups. Several other equivalence scales have been proposed, but these are not going to be explored here.

## **2.4 The Poverty Index Number Problem**

The poverty index number problem refers to the problem associated with having to choose which poverty index to use in poverty comparisons among the many competing indices.

Beginning with the work of Sen (1976), it has been widely recognized that a good poverty measure should satisfy certain appealing axioms. According to Sen, an index of poverty must be distribution sensitive, which means that a transfer of income among the low income population must be reflected in the overall measure of poverty. In particular, if income is redistributed from an extremely poor person to a higher income person below the poverty line, the measure of poverty should increase, not decrease. There are a large number of poverty indices that satisfy this sensitivity criterion including the Watts (1968) index; the distinct classes of indices associated with Kakwani (1980), Clark, Hemming, and Ulph (1981), Foster, Greer and Thorbecke (FGT) (1984), and the pioneering index of Sen (1976). Surveys of the immense literature relating to these and other poverty indices are provided by Foster (1984), Seidl (1988), and Zheng (1994).

The choice among the competing poverty indices is in part dependent upon the purpose of the investigation and the type of analysis to be conducted. For example, some of the indices are additively decomposable, e.g., the FGT class, whereas others, including the Sen index, are not. In most poverty studies we are concerned with overall poverty and not additive decompositions. The most commonly used poverty indices are the Sen index and the FGT  $P_\alpha$  class of measures. The FGT  $P_\alpha$  class of poverty measures are generally represented by the

following formula:  $P_\alpha = \frac{1}{n} \sum_{i=1}^q \left[ \frac{(Z - Y_i)}{Z} \right]^\alpha$ , where  $q$  is the total number of households below

the poverty line,  $n$  is the total number of households,  $Z$  is the poverty line and  $Y_i$  is the per

capita income of the  $i$ th household. When  $\alpha = 0$  then  $P_0 = \frac{1}{n} \sum_{i=1}^q \left[ \frac{(Z - Y_i)}{Z} \right]^0 = \frac{q}{n}$  is simply

the headcount ratio. When  $\alpha = 1$  then  $P_1 = \frac{1}{n} \sum_{i=1}^q \left[ \frac{(Z - Y_i)}{Z} \right]^1$  is the poverty gap index. When

$\alpha = 2$  then  $P_2 = \frac{1}{n} \sum_{i=1}^q \left[ \frac{(Z - Y_i)}{Z} \right]^2$  is the poverty severity index. The headcount ratio is

generally criticized for being insensitive to the distribution of income among the poor and the severity of poverty. The poverty gap index tries to give an indication of the extent of poverty by taking into account the extent to which individuals are below the poverty line. The poverty severity index goes further to address the question of how severe is poverty. It does this by squaring the poverty gaps, and hence giving more weight to those who are further away from the poverty line. One can therefore say that the poverty severity index takes into account the distribution of income among the poor. Another poverty measure that explicitly take the distribution of income among the poor into account is the Sen index. The Sen index,

which is generally denoted as  $S$ , can be written as  $S = H \left[ I + (1 - I) G_p \frac{q}{q + 1} \right]$ , where  $H$  is the

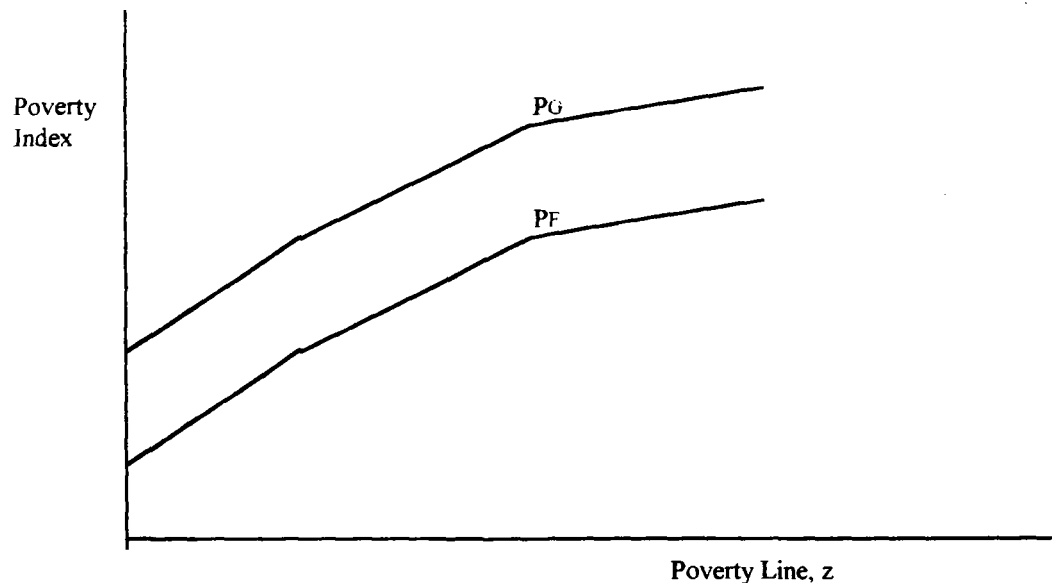
headcount ratio,  $I$  is the poverty gap ratio and  $G_p$  is the Gini coefficient of income inequality among the poor. The use of the Sen index is generally preferred because we are able to capture both the extent and the intensity of poverty. The headcount ratio and the poverty gap ratio provide a cardinal dimension to the poverty comparisons, while the Gini coefficient among the poor add an ordinal flavour. The Sen index combines both the cardinal and the ordinal aspects to the poverty index.

## 2.5 The Identification Problem

The identification problem is not trivial. The usual approach is to choose a poverty line below which individuals can be considered poor. But the choice of a poverty line involves value judgment and is essentially arbitrary. There is no one poverty line that can be unanimously agreed upon as “the poverty line”. One way of getting round this problem is to use a poverty band rather than a poverty line and check for poverty dominance using a series of poverty lines implied by the poverty band. Bishop, Formby, and Smith (1993) and Bishop, Formby, and Zeager (1995) applied inference dominance procedures to poverty comparisons. The poverty dominance criteria can be stated as follows: Distribution F poverty dominates (PD) distribution G iff for all poverty indices  $P$ ,  $P_G(Z_i) \geq P_F(Z_i)$  for all  $i$ , with strict inequality holding for some  $i$ , where the subscripts  $G$  and  $F$  on  $P$  refer to the distributions from which the poverty index is calculated, and  $Z$  is the poverty line. We refer to this as weak poverty dominance. Strong poverty dominance of distribution F over distribution G requires that for all poverty indices,  $P$ ,  $P_G(Z_i) > P_F(Z_i)$  for all  $i$ . The poverty dominance comparison is said to be inconclusive if  $P_G(Z_i) > P_F(Z_i)$  for some  $i$  and  $P_G(Z_j) < P_F(Z_j)$  for some  $j \neq i$ . Note that if we say distribution F poverty dominates distribution G we mean that there is more poverty in distribution G than in F.

Figure 1 below illustrates the conditions for poverty dominance. In the illustration the poverty value curve  $P_G$  (i.e., the line joining all the poverty indices at the various poverty lines) is persistently above the poverty value curve  $P_F$ . Poverty dominance requires that this be the case for all poverty measures/indices.

**FIGURE 1. AN ILLUSTRATION OF POVERTY VALUE CURVE DOMINANCE OF DISTRIBUTION F OVER DISTRIBUTION G.**





The dominance methodology is relatively new and hence most studies on poverty have not utilized this powerful controversial-free methodology for poverty comparisons. Instead, most studies have merely computed the poverty indices (usually the headcount ratio) and compare these between population sub-groups, regions and across time. The controversy surrounding this approach is that the poverty line is highly subjective and the poverty indices themselves are very sensitive to changes in the poverty line. Thus conclusions can easily be overturned by slight changes in the poverty line itself.

The calculation of poverty indices require the existence of household survey data like the LSMS data sets. It has become general practice to supplement poverty indices with social indicators like health indicators. In the absence of household survey data social indicators have been used to infer on poverty. In this paper both poverty indices and social indicators are used to analyse trends in poverty in Zimbabwe since independence. As pointed out earlier the analysis would rely on published information, and hence the accuracy of the analysis would depend on the accuracy of the studies used in measuring poverty<sup>1</sup>.

### **3. Poverty Studies in Zimbabwe**

There are very few studies that have attempted to quantify the levels and intensity of poverty in Zimbabwe. The first such attempt was the Income, Consumption and Expenditure Survey Report of 1990/91 by the Central Statistical Office (CSO) and the subsequent analysis of inequality, again by the CSO, in a document entitled "Inequality Among Households in Zimbabwe". The second and probably the major study was "The Poverty Assessment Study Survey (PASS) by the Ministry of Public Service, Labour and Social Welfare in 1995. Currently the CSO is in the process of analyzing the 1995/96 Income, Consumption and Expenditure Survey data. Given the fact that there were no studies on the trend in poverty in the 1980s the paper would dwell very much on social indicators to make inferences on the trends in poverty during this period.

### **4. Trends in Poverty During the 1980s**

The trends in poverty in Zimbabwe in the 1980s were influenced by a number of factors. First, are the socio-economic imbalances that were inherited from the colonial regime at independence. The Zimbabwean economy is characterized by a dualistic pattern of development in terms of both the pattern of ownership of the means of production and the spatial distribution of development. The dualistic nature of the ownership structure is probably more pronounced in the agricultural sector. Rural areas, which house over 70% of the population, are relatively underdeveloped in terms of infrastructure and socio-economic development while the urban areas are relatively highly developed. Land in Zimbabwe is classified in terms of ecological zones, ranging from ecological zone 1 to 5. The quality of the land and the amount of rainfall received deteriorate as we move from ecological region 1 to ecological region 5. The bulk of Communal Lands, where more

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<sup>1</sup> The use of published information rather than carrying out the analysis myself is partly because the Central Statistical Office does not allow its household surveys to be accessed by researchers.

than 70% of the population (mainly Blacks) reside, are in natural regions 4 and 5 while Large Scale Commercial Farms, which are owned mainly by Whites, are concentrated in natural regions 1 to 3. Communal Lands, which constitute 41.8% of the total land area, house 51.4% of the population while Large Scale Commercial Farms, which constitute 28.7% of the total land area, house 11.3% of the population. In terms of population densities Communal Areas have a population density of 32.7 persons per square kilometre while Large Scale Commercial Farms have a population density of 10.5 persons per square kilometre.

The Transitional National Development Plan gives a very good description of the socio-economic conditions prior to and at independence in paragraphs 2.5 to 2.8 (See Box 1). The plan shows that the socio-economic policies and indeed the patterns of socio-economic development followed racial lines.

**Box 1: The Transitional National Development Plan description of the socio-economic conditions prior to independence**

2.5 The socio-economic system was, and largely continues to be, characterised by social, economic and technological forms of dualism highly interactive with each other and producing gross social, income and wealth inequalities. Economic dualism is evidenced by the existence of two broad economic sectors: the modern sector (consisting of commerce, industry, mining and commercial agriculture) and the peasant sector. While the modern sector is relatively advanced, dynamic and diversified, the peasant sector is generally underdeveloped, largely subsistence in character and poorly served with essential physical, agricultural and social infrastructure. At the core of its development problems are the highly inequitable land distribution patterns, overcrowding, poor land husbandry, and the effects of past neglect in the provision of social and economic services and physical infrastructure. Over the years, public and private investment has been concentrated in the modern sector, with the peasant sector receiving hardly any investment. Partly as a result of these factors, there is a large differential in labour productivity between the modern and the peasant sectors, giving rise to gross inequities in the distribution of income, wealth and income-earning opportunities between them.

2.6 The inequitable distribution of land is also a major factor in the underdevelopment of the peasant sector. About 6000 (mainly white) commercial farmers hold title to about 51 per cent of the land outside urban areas and national parks (44 percent of the total land area of Zimbabwe), with farms ranging between 500 and 2000 hectares in size and mostly in the better ecological zones (natural regions I, II, and III).

2.7 Communal areas (or the former Tribal Trust Lands) are generally in the poorer ecological zones and are inhabited by about 700 000 families. It is estimated that they have a carrying capacity of not more than 325 000 families, or just over 46 per cent of the current number of inhabitants. Therefore, significant overcrowding, combined with generally poor land husbandry, poor agricultural and physical infrastructure, and the damage caused by the war, have contributed to the underdevelopment of the sector.

2.8 The social dualism characteristic of the socio-economic system was mainly defined in racial terms. As a result of deliberate policies of past administrations, access to public facilities such as education, health and social services was based primarily on race and the white community generally enjoyed more and better quality access to public facilities. All this interacted with the economic dualism already referred to and produced gross inequalities between black and white and between the sexes.

The second factor is the War of Liberation which took place mainly in the rural areas. This resulted in the displacement of a lot of the rural population and the destruction or neglect of most of the infrastructure in the rural areas. These two factors meant that poverty was very high among Blacks at independence.

The third factor that influenced the trends in poverty in the 1980s were the Government efforts to redress the socio-economic imbalances that were inherited at independence in 1980. The government tried to do this through a number of programmes that were targeted at the disadvantaged segments of the population. Priority was given to the land reform programme that aimed at redistributing land and reduce population pressures in the rural areas. Other programmes that were aimed at upgrading the standards of living of the Blacks included Black advancement at workplaces, the provision of subsidies for basic food items, the introduction of free health for those earning below Z\$400 per month, free primary education for all, the introduction of the Labour Relations Act that made it difficult for employers to retrench workers and the enactment of the minimum wage bill.

In the absence of household data it is difficult to assess the impact of the various measures taken by Government in the 1980s on the levels of poverty. The paper therefore resorts to making inferences on the levels of poverty by analyzing trends in social and other welfare indicators.

Government expenditure on health and education increased tremendously in the first few years after independence. Government expenditure on health increased by more than 7 fold between 1979/80 and 1989/90 (from Z\$53.5 million to Z\$421.4 million) while per capita recurrent expenditure in the Health ministry increased from Z\$10.52 in 1979/80 to Z\$18.17 in 1989/90. Government expenditure on education increased from Z\$119.0 million in 1979/80 to Z\$638.3 million in 1985/86 to Z\$1215.2 million in 1989/90. During the period 1980 to 1990 real per capita expenditure on education increased at an average annual rate of 5% (Chisvo, 1993). Public assistance and social welfare fluctuated but were generally on the increase. Public assistance increased from Z\$1.6 million in 1979/80 to Z\$2.1 in 1981/82, Z\$21.7 million in 1982/83, Z\$59.7 million in 1983/84, Z\$30.2 million in 1984/85 and in 1989/90 it had gone down to Z\$23.1 million. Similar patterns are observed in Government expenditure on social welfare.

The impact of increased government spending on health, social welfare and education is reflected in the general improvements in health, education and other social indicators. Table 1 below shows the trends in health indicators. From the table it is clear that all the health indicators improved during the period 1980 to 1990. Life expectancy increased from 58 years in 1981 to 61 years in 1990. Between 1980 and 1990 infant mortality rate per thousand dropped from 88 to 61, the under five mortality rate per thousand dropped

from 104 to 87, maternal mortality rate per hundred thousand dropped from 150 to 90, the percentage of underweight children dropped from 21% to 12% while child immunization increased from 25% to 86%.

In education the enrollment in primary schools increased at an annual average rate of 18% between 1980/81 and 1984/85 (Chisvo, 1993). The proportion of those who had never been to school dropped from 25.53% in 1982 to 16.55% in 1992 (Census, 1992).

**Table 1: Trends in Health Indicators**

Health Indicator	1980	1990
Life expectancy	58 (1981)*	61 (1990)*
Infant mortality rate/1000**	88	61
Under 5 mortality rate/1000**	104	87
Maternal mortality rate/100000**	150	90
% of underweight children**	21	12
Child immunization (%)**	25	86

Sources: \* Census 1992, CSO, Harare, 1994.

\*\* Loewenson R., and Chisvo, M., 1994, Transforming Social Development: The Experience of Zimbabwe, Harare. Paper Prepared for UNICEF, Harare.

It was pointed out earlier that government gave priority to land redistribution as a major means of redressing the colonial imbalances. The goal behind land redistribution was to redress the inequitable distribution of land that was inherited at independence, increase smallholder agricultural productivity and reduce population pressures in communal areas (Mabugu and Moyo, 1998). These goals, if achieved, would have inevitably increased the welfare of the rural population. The extent to which the resettlement program has been a success is highly debatable. It is generally acknowledged that the program has not been much of a success. First, initially it was envisaged that a total of 162 000 families would be resettled in the first decade of independence. The outcome was a total of 52 000 families being resettled. Second, lack of back-up services meant that most of the resettlement areas could not reach their maximum productive potential. Despite the setbacks experienced in the program clearly the program did have some positive impact on the welfare of the communal people, no matter how small.

From the above discussion one can safely conclude that:

- Poverty was very high at independence;
- The various measures taken by the Government to redress the colonial imbalances that were inherited at independence did have a positive impact on poverty;
- As a result of the measures taken by the Government in the 1980s poverty actually declined between 1980 and 1990.

## **5. Trends in Poverty During the 1990s**

The methods used by the Government to reduce poverty in the 1980s were short-term in nature and could not be sustained in the long-run. The provision of subsidies, free primary education and free health for those earning below Z\$400 per month could only be sustainable if the economy was growing and the government's income base was widening. The minimum wage bill, Black advancement which did not take into account a person's capability, the legislation against retrenchment and the setting of price limits on some commodities introduced distortions in both commodity and factor markets. These measures resulted in an inefficient productive sector and hence a deterioration in the performance of the economy.

The first two years of independence real GDP grew at an average annual growth rate of 10%. This remarkable achievement is attributed to the good performance in the Agricultural sector resulting from the good rains in 1980 and 1981 and the opening up of the economy to international markets which saw an increased inflow of investment capital. The rest of the decade experienced real GDP growth of between -4% and 7.6%. The deterioration in real GDP growth in the later years of the 1980s was attributed to the droughts of 1982/83, 1983/84 and 1986 and the world recession. Less talked about is the fact that this deterioration in economic performance could have been due to the distortions caused by price controls in the factor and product markets. The cause of the deterioration in economic performance aside the fact still remains that poor economic performance resulted in a reduced government financial base to support its poverty reduction endeavors. Most of the poverty reduction efforts had to be financed through domestic borrowings and donor financing. This resulted in the escalation of the government budget deficit which increased from Z\$517 million in 1980/81 to Z\$2522 million in 1989/90. As a percentage of GDP the budget deficit increased from 7.6% in 1980/81 to 11.2% in 1987. By the end of the 1980s government debt was becoming unmanageable and government had to abandon its interventionist stance in the economy and embraced an IMF/World Bank type economic structural adjustment programme.

In 1991 the Government of Zimbabwe embarked on a five year Economic Structural Adjustment Programme (ESAP) that among other things aimed at:

- (a) Liberalizing trade;
- (b) Deregulation of prices, wages, the exchange rate, and interest rates; and
- (c) Reducing the Government deficit by reducing public expenditure and increasing government revenue. Public expenditure was to be reduced by downsizing the public sector, privatizing public enterprises and phasing out subsidies. Government revenue was to be increased through increased cost recovery.

The initial impact of ESAP was a general increase in prices, a reduction in the provision of public services and an increase in the unemployment rate. This implies that poverty in

Zimbabwe was on the increase as a result of the initial impact of ESAP. To mitigate the social costs of adjustment the Government introduced the Social Development Fund (SDF) in November, 1991. The initial programme design was meant to cater for ESAP induced poverty. The launching of the Poverty Alleviation Action Plan (PAAP) in 1993 saw the expansion of this programme to include the poor in general. The programme involved the Social Safety Nets Programme (SSNP), and the Employment and Training Programme (ETP). The SSNP involved the provision of education assistance, health assistance, and food security to the disadvantaged segments of society. The ETP involved the provision of skills training and the provision of soft loans to those who wanted to start their own businesses. The programme included basic training in welding, carpentry, panel beating, spray painting, motor mechanics, bricklaying, tailoring, plumbing, and agriculture. It also provided machinery and equipment and outreach programmes that were aimed at ensuring the successful implementation of the SDF funded projects. The food security scheme involved direct cash payments to the urban poor who could no longer afford to pay new food prices due to the decontrol of prices and the removal of subsidies.

A review of the SDF programme showed that in the Entrepreneurship Training Programme a total of 8809 people had undergone training on “How to start your own business” by 31 January 1995. By the end of 1994 a total of 5390 projects were submitted and 1195 projects were approved while 144 projects were outrightly rejected. 36% of these projects were in the services sector, 18.6% in the manufacturing sector and 17.7% in the transport sector. The 1195 projects were funded at a cost of Z\$89.3 million and they created 5032 jobs. A total of Z\$52 million had been spent by the end of 1994 in the Social Safety Nets Programme. While these figures look impressive there is a general feeling that this programme was not much of a success. For instance it is alleged that the amounts that were being given for food were not adequate to even cover transport costs to collect it. In the ETP programme it is claimed that the training was not adequate and that there were no back-up services provided once the projects were approved, resulting in a lot of the projects started foreclosing.

The assessment of trends in poverty in the 1990s is made easier by the existence of two household survey data sets, the CSO 1990/91 Income, Consumption and Expenditure Survey data and the Ministry of Public Service, Labour and Social Welfare's 1995 Poverty Assessment Study Survey (PASS) data. According to the 1990/91 Income, Consumption and Expenditure Survey (ICES) about 2.7 million people in Zimbabwe or 25% of the population were poor in 1991. About 90% of the poor lived in rural areas. Communal lands accounted for about 82% of those who were deemed “very poor”. The urban poor constituted about 10% of the total poor. The severity of poverty was deemed higher in rural areas compared to urban areas. The 1995 Poverty Assessment Study found that:

- 62% of Zimbabwean Households had incomes below the total consumption poverty line;
- 46% of Zimbabwean households had incomes below the food poverty line;

- Poverty in Zimbabwe was more prevalent in rural areas with 72% of the households in rural areas being poor compared to 46% in urban areas;
- Female headed households had a higher incidence of poverty compared to male headed households with 74% of female headed households being poor compared to 57% for the male headed households.

The results of the two studies indicate that there was a substantial increase in poverty between 1991 and 1995, with the headcount ratio increasing from 25% to 62% between the two years. This increase in poverty is attributed to the initial impact of the first five year structural adjustment programme which was launched in 1991 and the two droughts which occurred in 1991 and 1994.

It is difficult to assess the trends in poverty between 1995 to date because of lack of data. However, a quick review of Government policy documents since 1995 would reveal that if Government were to fulfill its stated objectives then poverty would definitely decline. These policy documents include:

1. The Zimbabwe Vision 2020
2. The Zimbabwe Programme for Economic and Social Transformation (ZIMPREST) 1996-2000;
3. The Three Year Medium-Term Development Plan (TYMTDP) 1998-2000;
4. The Government Policy Framework for the Indigenisation of the Economy.
5. The National Policy on Drought Management; and
6. The Zimbabwe Population Policy.

In its generic terms the National Long Term Perspective Study (Vision 2020) identifies the following as the national aspirations by the year 2020:

- \* Good governance
- \* Maintenance of political stability
- \* Diversified economy with high growth rates
- \* Access to social services by all
- \* Acceleration of rural development
- \* Equal opportunity for all
- \* Development and utilization of modern science and technology
- \* Vibrant and dynamic culture and sport, and
- \* Sustainable utilization and management of natural resources and the environment.

A quick reflection on the essence of the aspirations would leave no one in any doubt that if these aspirations are realized then welfare would be greatly enhanced or inversely poverty would be reduced.

A central tenet of Zimbabwe's Vision 2020 is to restructure the economy with the view of achieving a comprehensive affirmative action programme in the context of rapid economic growth and reduction of poverty of the majority of the population. The basic objectives of the indigenisation programme are:

- To reverse the present increasing inadequate availability and access to **key assets: land, labour, credit, infrastructure, education, health, technology and information** by the majority of the people;
- To reverse the present dominant position of women in terms of their participation in the informal sector and provision of total agricultural labour in contrast to their lack of access to these production assets; and
- To conclusively address the issues of growth and poverty within the context of Privatization and Indigenisation of the economy.

The Government Policy Framework for the Indigenisation of the Economy aims at developing a democratized and competitive domestic sector which would be the engine for economic growth. It seeks to lay a strong foundation for the development of a fully fledged democratic society in which all Zimbabweans equally enjoy economic and social justice. The Vision 2020 document itself views indigenisation as the core strategy for the realization of the development objectives.

The Government of Zimbabwe (GOZ) has expressed its firm commitment to the process of indigenization as part of its overall program to further develop the private sector in a way that accelerates economic growth, provides for empowerment of indigenous groups, and leads to overall prosperity within the nation with the ultimate objective of eradication of poverty.

The Vision 2020 is acutely aware of the major constraints in the fulfillment of its objectives and it has envisaged specific interventionist programmes to avert such slippage in the process. Two of these key programmes which are of relevance are the National Policy on Drought Management, and the Population Policy.

The National Policy on Drought Management has as its goal the mitigation of the impact of drought on the economy. This is to be done by putting emphasis on harvesting (creating a network of dams) and efficient utilization of water, increased agricultural productivity in both commercial and communal areas, land use planning and proper management of natural resources and the environment.



The Population Policy seeks to adopt and implement programmes and strategies aimed at stabilizing the population in a manner that is sustainable and consistent with economic development. The ultimate goal of the policy being that of achieving high standards of living for the people.

The Zimbabwe Programme for Economic and Social Transformation (ZIMPREST) aims at doing the following:

- analyzing the country's medium term development potential;
- set macroeconomic, sectoral and social targets for a five year period, this being done through a policy matrix with targets, benchmarks and dates for implementation;
- define the role and changes in the function of Government; and
- define economic policies to ensure the full participation of other stakeholders, especially the private sector.

The broad objective of ZIMPREST can be stated as follows: "To achieve a sustained high rate of economic growth and speedy development in order to raise incomes and standards of living of all the people, and expand productive employment of rural peasants and urban workers."

The Three Year Medium-Term Development Plan on the other hand has the following as its main objectives:

- Restore macro-economic stability and achieve high and sustainable economic growth
- Employment creation
- Raise the standards of living of the population
- Establish strong links between planning and the budgetary process
- Increase investment levels

It is quite clear that a successful implementation of the above discussed policies would result in a general improvement in welfare and a great reduction in poverty.

## **6. Summary and Conclusions**

The general conclusions coming from the above analysis is that:

Poverty declined between 1980 and 1990;

Poverty, however, increased significantly between 1991 and 1995;

The increasing trend in poverty is likely to continue in the near future, but this trend is likely to be reversed if the Government successfully pursues its policy objectives as enunciated in the various policy documents.

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